A STATISTICAL ANALYSIS OF THE IMPACT OF SELECTED M.A.R.C. (WEIR) RECOMMENDATIONS

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Introduction

As part of the evaluation of the Manitoba Assessment Review Committee's report, a study was conducted to determine the effect of the M.A.R.C. recommendations on the assessment and taxation of property in specific municipalities within selected school divisions. By actually incorporating the report's recommendations regarding assessment, valuation and apportionment into the current assessments, the impact of these recommendations could be measured separately and together. To identify the effect of the report's recommendations, a computer-based model was developed and applied in a cross-section of municipalities within selected Manitoba school divisions.

Modelling Methodology

The model consists of four major components, summarized as follows:

1. Incorporation of the Committee's recommendations into the 1982 existing assessment. This involved (a) making all farm residential assessments, previously exempt, taxable, (b) including farm outbuildings exceeding the valuation of the land on which they are situated, in the taxable assessment, (c) separating the first $50,000 of commercial/industrial assessments for taxation at the residential rate, and (d) classifying only an amount of land as is reasonably required as farm residential property. (1.0 acre of land has been chosen as the reasonable amount for modelling purposes).

2. Application of valuation factors to bring the existing assessment with the Committee's recommendations included up to 1979/80 levels. Because all property classes and municipalities are not currently at the same level of valuation, different factors were applied to existing assessments to bring all property to the same 1979-80 level. Farm land, for example, required a larger valuation factor than residential land because the existing assessment value of farm land is farther from 1979-80 levels than is residential land..

3. Apportionment of the property valuation as per the Committee's recommendations to establish the assessment of real property to be used for taxation purposes. Utilizing only 8-15-16 percent of the valuation of farm, residential and other property respectively, should result in a total assessment throughout the Province for each class that approximates the total existing assessment of each class.

4. Calculation of new municipal and school mill rates based on valuation and the apportioned assessment. These mill rates were then applied to a sampling of individual properties within the selected municipalities to reveal the impact of the Committee's recommendations, on real property taxation.

This model was tested in four school divisions - Hanover, Antler River, Intermountain* and St. James-Assiniboia. Within these school divisions, the municipalities, and towns samples included the R.M. of Hanover, Town of Steinbach, R.M. of Brenda, Town of Melita and that part of the City of Winnipeg lying within the St. James-Assiniboia school division to provide an urban-rural mix of land uses and property types. Most property owners in the provinces should, therefore, be able to gauge the impact of the Assessment Review Committee's recommendations on their individual assessment and taxation.

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* The analysis of Intermountain data is included as an addendum because it was not available at the time of printing of this text.

Modelling Step No.1 - Assessment Changes

The incorporation of the M.A.R.C. recommendations* into the 1982 actual assessment and especially the application of valuation factors to raise all property to the same 1979-80 level of value created changes in the assessment of farm, residential and other property in the school divisions tested. These changes in turn resulted in assessment shifts between property classes.

The changes are summarized as follows: (1) after incorporation of the M.A.R.C. recommendations*, (2) after application of the valuation factors, (3) after apportionment of the property valuation.

1. Incorporation of the Committee's Recommendations

Since the Committee's recommendations* impacted primarily upon farm property owners, the assessment changes and shifts within the school divisions are not uniform.

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* The M.A.R.C. recommendations involved:

(a) making all farm residential assessment taxable.

(b) including farm outbuildings exceeding the valuation of the land on which they are situated in the taxable assessment.

(c) separating the first $50,000 of commercial/industrial assessments for taxation at the residential rate.

(d) classifying only an amount of land as is reasonably required as farm residential property.

A. Assessment of farm property, including both land and buildings in real terms and as a percentage of total assessments, increased in the Hanover School Division, decreased in the Antler River School Division and remained constant in the St. James Assiniboia School Division.

Total Farm Assessment

	1982 Actual Assess.	% of Total Assess.	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.
Hanover	10,422,880	20	15,068,880	25
Antler River	18,241,690	66	18,038,960	59
St. James-A.	1,230,550	0.5	1,230,550	1

The changes in total farm assessment, although in opposite directions, in both the Hanover and Antler River School Divisions can be attributed to the farm outbuilding recommendations and the farm residence recommendations.

Because of the small number of farm properties in the City of Winnipeg, no changes occurred in the assessment.

A.1 Farm Building Assessment

	1982 Actual Assess.	% of Total Assess.	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.
Hanover	427,600	1	3,857,250	6
Antler River	214,340	1	112,020	1
St. James-A.	-		-	

Farm building assessment increased in the Hanover School Division because in accordance with the M.A.R.C. recommendations, all farm outbuildings, previously exempt were assessed for taxation purposes. A basic exemption for outbuildings equivalent to the value of the land contained within the parcel on which the outbuildings are situated was granted. However, because of the presence of a large number of building-intensive farms in which the assessment value of buildings previously exempt, far exceeds the assessment value of the land, the impact of the farm building recommendation in the Hanover School Division was great.

In the Antler River School Division, the real assessment of farm buildings decreased after application of the farm outbuildings exemption because of the predominance of land intensive farms and the low assessment on existing farm outbuildings. Many of the previously taxable outbuildings became exempt after the recommendation was applied.

The farm outbuilding recommendations, therefore, impact greatest upon areas with a large number of building-intensive farms.

A.2 Farmland Assessment

	1982 Actual Assess.	% of Total Assess.	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.
Hanover	9,995,280	19	11,211,630	19
Antler River	18,027,350	65	17,952,040	58
St. James-A.	1,230,550	0.5	1,230,550	0.5

In the Hanover School Division, farmland assessment increased in real terms due to the reclassification of the land on which farm residences are situated. According to the M.A.R.C. recommendations, only an amount of land as is reasonably required for use with the farm residences is to be classified as residential land. For modelling purposes, one acre of land was chosen as a reasonable amount of residential land. The remaining land, previously classified as residential before the residential acreage restriction (1.0 acre), is now classified and assessed as farmland.

In the Antler River School Division, farmland assessment decreased due to the reclassification of farmland rather than the reclassification of residential land. With the recommended assessment and taxation of previously exempt farm residences, one acre of land, previously classified as farmland is now classified as residential land. Since most farm residences were previously exempt in the Antler River School Division, a small amount of farmland is reclassified as residential.

B. Assessment of Residential property, including both land and buildings increased in real terms, in both the Hanover and Antler River School Divisions. As a percentage of total assessment, however, residential assessment decreased in the Hanover School Division and increased in the Antler River School Division.

Once again, assessment remained constant in the St. James-Assiniboia School Division because of the absence of farm property.

Total Residential Assessment

	1982 Actual Assess.	% of Total Assess.	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.
Hanover	31,062,680	59	34,027,540	56
Antler River	6,205,520	22	9,140,280	30
St. James-A.	163,528,880	61	163,528,880	61

The real increase in total residential assessment is attributable to the recommendation making all farm residences, previously exempt, taxable.

B.1 Residential Building Assessment

	1982 Actual Assess.	% of Total Assess.	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.
Hanover	25,967,410	49	30,152,000	50
Antler River	4,996,040	18	7,855,880	26
St. James-A.	130,813,970	49	130,813,970	49

The impact of this recommendation is greatest in the Antler River School Division because of the large number of previously exempt farm residences.

Total residential assessment, as a percentage of total assessment decreases in the Hanover School Division and increases in the Antler River School Division due to the reclassification of the land on which farm residences are situated.

B.2 Residential Land Assessment

	1982 Actual Assess.	% of Total Assess.	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.
Hanover	5,095,270	10	3,875,540	6
Antler River	1,209,480	4	1,284,400	4
St. James-A.	32,719,910	12	32,714,910	12

In the Hanover School Division, land previously classified as residential shifts to the farmland classification because only an amount of land as is reasonably required for use with the residence is to be classified as residential property according to the M.A.R.C. recommendations. Because only one acre of land was chosen as "reasonable" for modelling purposes, residential land assessment declined.

In the Antler River School Division, on the other hand, land previously classified as farm shifts to the residential land classification because in accordance with the M.A.R.C. recommendations, all farm residences previously exempt are to be assessed for taxation and assigned a reasonable amount of residential land, (1.0 acre). Because of the large number of previously exempt farm residences, residential land assessment increases.

C. Assessment of other (commercial/industrial) property, including both land and buildings remained relatively constant at this step of the analysis, in all school divisions.

Total Other Assessment

	1982 Actual Assess.	% of Total Assess.	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.
Hanover	10,219,630	19	10,179,420	17
Antler River	3,061,280	11	3,163,450	10
St. James-A.	104,508,190	38	104,508,190	38

The M.A.R.C. recommendations had no real effect on total other (commercial/industrial) assessment. The M.A.R.C. recommendations did, however, create two categories of other building property for the sharing of the Education Support Program Levy, one subject to the higher commercial levy and one subject to the lower residential levy. This recommendation affected only other buildings as shown:

C.1 Other Building Assessment

(subject to the commercial levy)

	1982 Actual Assessment	Actual Assessment with M.A.R.C. Recommendations Incorporated
Hanover	7,631,950	5,104,040
Antler River	2,197,540	491,070
St. James-A.	- Data not Available	-

Other (commercial/industrial) building assessment, subject to the commercial levy decreased in all cases because the first $50,000 of other building assessment, at valuation, is recategorized and subject to the residential levy. The M.A.R.C. felt that by taxing the first $50,000 of other building assessment at the lower residential rate, the viability of small and

essential rural and neighbourhood commercial establishments would be increased without creating undue hardship for larger business establishments.

C.2 Other Building Assessment

(subject to the residential levy)

	1982 Actual Assessment	Actual Assessment with M.A.R.C. Recommendations Incorporated
Hanover	-	2,497,750
Antler River	-	1,807,980
St. James-A.	Data Not Available	

Other (commercial/industrial) building assessment subject to the lower residential Education Support Program levy is the new category created by the M.A.R.C. It consists of the first $50,000 of total other assessment at valuation.

SUMMARY

When all the assessment shifts created by the incorporation of the specified M.A.R.C. recommendations are viewed as a whole the impact appears to be greatest in areas with significant numbers of building-intensive farms and farms with exempt residences. The total taxable land assessment has not changed as a result of these M.A.R.C. recommendations. Land has simply been reclassified in some instances, such as from farm residential land to farmland. Building assessments, however, have increased due to the removal of farm residence exemptions, and the partial removal of farm outbuilding exemptions.

Modelling Step 2 - Application of Valuation Factors

In addition to the changes and shifts in assessment created with the incorporation of the M.A.R.C. recommendations, the application of valuation factors results in additional changes and shifts in the assessment.

Valuation in the modelling exercise involves multiplying the actual assessment, with the M.A.R.C. recommendations included. Currently, assessments are far out-of-date, because the large increases in property valuations resulting from inflation and development, over the years, have not been reflected in the assessments. 1982 actual assessments must, therefore, be updated to reflect the increases in property values.

However, because all property classes and municipalities are not currently at the same level of valuation, different factors are used to increase the present assessment to the 1979-80 level. The more out-of-date the assessment the larger the valuation factor required, as seen by the average factors applied to the different property classes in the sample School Divisions.

Average Valuation Factors

	Hanover	Antler River	St.James-Assiniboia
Farmland	10.00	10.42	17.18
Residential Land	8.20	3.00	10.84
Other Lane	8.20	3.66	8.12
Farm Outbuildings	5.54	3.43	-
Residences	5.54	3.43	5.60
Other Buildings	5.54	3.66	5.35

The application of a relatively constant average factor to farm, residential and other buildings within a school division means that the assessment value of total buildings in all classifications (farm, residential and other) increased proportionately within the school division. However, because the same factor was not used in all school divisions, building assessment did not increase proportionately across the Province.

The application of different factors to farm, residential and other land, however, means that the assessment value of land in all classifications (farm, residential and other) and in all School Divisions (Hanover, Antler River, St. James-Assiniboia) increased disproportionately. For example, the percentage increase in the assessment value of farmland in all school divisions is greater than the percentage increase in the assessment value of residential and other land because the impact of price inflation on farmland was greater than on residential and other land.

These disproportionate increases in assessment, coupled with differing distributions of assessment between land and buildings in each of the three assessment classifications (farm, residential and other) and school divisions have resulted in major changes and shifts in property assessment from the M.A.R.C. to valuation level as outlined below.

A. Assessment of Farm Property, including both land and buildings, as a percentage of total assessment increased after application of the valuation factors for the Hanover, Antler River and St. James-Assiniboia School Divisions.

Total Farm Assessment

	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.	Assess. at Valuation	% of Total Assess.
Hanover	15,068,880	25	133,485,410	33
Antler River	18,038,960	59	187,345,330	79
St. James-A.	1,230,550	0.5	21,135,930	1

This increase in total farm assessment as a percentage of total assessment is attributable to the disproportionate increase in the value of farmland relative to other property. The impact of farmland valuation is therefore greatest in the Antler River School Division because of the land-intensiveness of the farms.

B. Assessment of Residential property, including both land and buildings decreased as a percentage of total assessment after application of the valuation factors in the rural school divisions of Hanover and Antler River. In the urban school division of St. James-Assiniboia, residential property assessment as a percentage of total assessment increased.

Total Residential Assessment

	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.	Assess. at Valuation	% of Total Assess.
Hanover	34,027,540	56	198,826,110	49
Antler River	9,140,280	30	35,268,370	15
St. James-A.	163,528,880	60	1,126,175,650	66

The decrease in total residential assessment as a percentage of total assessment in the rural school divisions occurred because of the relatively large increase in total farm assessment.

Because of the small amount of farm and other property relative to residential property in the urban St. James - Assiniboia School Division, residential assessment as a percentage of total assessment increased. Also contributing to this increase was the "outdatedness" of residential land relative to other land. The factor applied to up-date residential land (10.84) was disproportionately larger than the factors applied to up-date other land (8.12).

Within the residential class, however, all properties are not increasing proportionately. In the St. James-Assiniboia School Division, unlike the rural school divisions, the residential class was, for modelling purposes, comprised of four sub-classifications - single family, multiple 2-4, multiple five or more, and personal care facilities. A different valuation factor, reflecting the degree of outdatedness was assigned to each of these residential property sub-classes as indicated:

Residential Sub-Class	Valuation Factor
Single family	7.48
Multiple 2-4	6.39
Multiple 5 or more	3.67
Care facilities	4.64

Because the assessments of single family dwellings were furthest from current levels of values, the valuation factor applied to these properties was disproportionately larger than the factor applied to multiple family dwellings. This resulted in an assessment shift to single family dwellings within the residential class in St. James-Assiniboia.

C. Assessment of Other (Commercial/Industrial) property, including land and buildings, increased in real terms but decreased as a percentage of total assessment in the School Divisions of Hanover, Antler River and St. James-Assiniboia after application of the valuation factors.

Total Other Assessment

	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.	Assess. at Valuation	% of Total Assess.
Hanover	10,179,420	17	62,601,780	16
Antler River	3,163,450	10	13,799,510	6
St. James-A.	104,508,190	38	595,879,310	35

This decrease in total other assessment as a percentage of total assessment, in all instances, occurred because of the small amount of other assessment relative to farm or residential assessment. The valuation factors applied to other assessment also contributed to the assessment shift because in all instances, the factor applied to other property was either less than or equal to the factor applied to farm and residential property.

Average Property Valuation Factors

	Farm	Residential	Other
Hanover	7.77	6.87	6.87
Antler River	6.93	3.22	3.22
St. James. A.	17.18	8.22	6.74

SUMMARY

Having now examined the assessment changes and shifts resulting from the incorporation of the M.A.R.C. recommendations and the application of the valuation factors, it is evident that the valuation of assessment has the greatest impact on the redistribution of assessment between property classifications.

When the changes and shifts in assessment created by M.A.R.C. and valuation are viewed together the impact is quite substantial, as is shown on the following chart.

	1982 ACTUAL ASSESSMENT	% OF TOTAL ASSESS.	ASSESS. AT VALUATION	% OF TOTAL ASSESS.
	HANOVER SCHOOL DIVISION ASSESSMENT			
FARM	10,422,880	20	133,485,410	33
RESIDENTIAL	31,062,680	59	198,826,110	49
OTHER(3)	11,368,540	21	71,865,860	18
TOTAL	52,854,100	100	404,177,380	100
	ANTLER RIVER SCHOOL DIVISION ASSESSMENT			
FARM	18,241,690	66	187,345,330	79
RESIDENTIAL	6,205,520	22	35,268,370	15
OTHER(3)	3,363,300	12	15,123,060	6
TOTAL	27,810,510	100	237,736,760	100
	ST. JAMES-ASSINIBOIA SCHOOL DIVISION ASSESSMENT			
FARM	1,230,550	.5	21,135,930	1
RESIDENTIAL	163,528,880	61	1,090,175,650	64
OTHER(3)	104,508,190	38	595,879,310	35
TOTAL	269,267,620	100	1,707,190,890	100

In both rural school divisions, assessment shifts from the residential and other property classifications to the farm property classification. In the urban school division, assessment shifts from the other property classifications to the residential property classification, in particular single family property.

This redistribution of assessment between property classes is of importance because of its impact on property taxation. When assessment shifts between classes, the taxation burden also shifts. Across the Province, the effect of moving to valuation would mean that the farm class would be required to bear a larger percentage of the tax burden. In the City of Winnipeg, the residential class would be required to bear a larger percentage of the tax burden.

Because of the taxation shifts resulting from the assessment shifts at valuation, the Manitoba Assessment Review Committee proposed "portioning" as a means of reducing the impact of these shifts.

Modelling Step No.3 - Apportionment of the Property Valuation

Portioning involves utilizing only a fraction of the valuation level of real property to determine an "assessed value" for taxation purposes. By using different portions or fractions of the valuation of the various classes of property to establish the assessment, the tax distribution can be controlled and adjusted.

The Manitoba Assessment Review Committee in their report proposed using 8, 15 and 16 percent of farm, residential and other property valuations respectively, to establish the assessment to be subject to taxation. These portions were chosen

to result in a total assessment throughout the Province for each class of property that approximates the total existing assessment for each class. This means that each class of property on the average should continue to contribute approximately the same portion of the total municipal and school revenues required over the Province.

Since no individual school division or municipality is precisely average, local actual assessment and the distribution between property classes will likely not remain exactly the same, as shown below:

HANOVER SCHOOL DIVISION

	1982 Actual Assessment	% of Total Assess.	Assessment At Valuation	% of Total Assess.	M.A.R.C. 8-15-16 Apportionment	% of Total Assess.
Farm	10,422,880	20	133,485,410	33	10,681,180	20
Residential	31,062,680	59	198,826,110	49	29,836,900	58
Other	11,368,540	21	71,865,860	18	11,357,300	22
Total	52,854,100	100	404,177,380	100	51,875,380	100

ANTLER RIVER SCHOOL DIVISION

Farm	18,241,690	66	187,345,330	79	14,988,950	66
Residential	6,205,520	22	35,268,370	15	5,264,340	23
Other	3,363,300	12	15,123,060	6	2,385,120	11
Total	27,810,510	100	237,736,760	100	22,628,410	100

ST. JAMES-ASSINIBOIA SCHOOL DIVISION

Farm	1,230,550	.5	21,135,930	1	1,690,874	.7
Residential	163,528,880	61	1,090,175,650	64	163,526,348	63
Other	104,508,190	38	595,879,310	35	95,340,690	37
Total	269,267,620	100	1,707,190,890	100	260,557,912	100

In the sample school divisions of Hanover, Antler River and St. James-Assiniboia, the assessment after portioning is smaller than the actual current assessment. This means that the assessment base for property taxation has decreased in these school divisions.

Also contributing to the variance between actual assessments and portioned assessments is the fact that the portions utilized by the M.A.R.C. do not compensate for the transfer of farm residences from the farm classification to the residential classification or for the effect of the exemption for farm outbuildings. Although new portions compensating for these factors could be developed to reduce the variance between actual assessments and portioned assessments, the variance attributable to provincial averaging would still exist.

Modelling Step No.4 - Calculation of New Municipal and School Mill Rates

Shifts and changes in property assessment, even when moderated through portioning, may result in changes in taxation for the individual property owner. To determine these changes, an examination of sample property owner's tax bills after calculation of new municipal and school mill rates was conducted in the R.M. of Hanover, Town of Steinbach, R.M. of Brenda, Town of Melita and the St. James-Assiniboia area.

The property owner's tax bill is comprised of 1) a local municipal imposition; 2) a regional school division imposition for special levy purposes; and 3) a provincial education support levy. The impact of assessment changes on these tax levies is discussed generally below.

A. Municipal Levies. Every municipality obtains funds required for budgeted municipal expenditures through taxation of property located within the municipality. The amount each individual property owner is required to contribute is determined by applying a municipal mill rate to the "assessed value" of each taxpayers property.

The municipal mill rate utilized is derived as follows:

Total Municipal Assessment	x	Mill Rate	=	Total Municipal Levy

The mill rate is strictly a reflection of the municipality's revenue requirements and its total assessment. With the introduction of the M.A.R.C. recommendations, the application of valuation factors, and the apportionment of valuation, the total municipal levy remained constant but the total municipal assessment changed, therefore, the mill rate changed.

Incorporation of the Committee's recommendations regarding farm residences, farm outbuildings and valuation, increased total assessment in the municipalities affected and, therefore, decreased the mill rate.

A decrease in the mill rate, however, does not necessarily mean a decrease in each individual property owner's taxes. Individuals with previously exempt farm residences and farm outbuildings may find their taxes increasing despite a lower mill rate. The impact on taxes at valuation is also not uniform. Properties valued up by a larger factor than others will end up bearing a larger portion of the total tax burden.

Unlike the incorporation of the Committee's above recommendations, apportionment of the property valuations reduced total assessment in the sample school divisions and, therefore, increased the mill rate. The impact on individual property taxes again will vary dependent on their specific assessment.

The impact of assessment changes on taxation, discussed above, is generally true for all municipal tax levies except the levy under Section 888 of The Municipal Act. Currently all property, including exempt, taxable and grants-in-lieu, may be subject to municipal taxation under Section 888 of The Municipal Act. The M.A.R.C., however, has recommended that only exempt land, rather than both exempt land and buildings be subject to levies under Section 888 of The Municipal Act. The result, in a municipality currently utilizing Section 888, is a substantial decrease in the assessment base and an increase in the general municipal mill rate necessary to generate required revenues. Non-exempt properties would then be required to contribute a larger share of taxes.

B. School Division Special Levies. The school division special levy is an imposition against municipalities contained within the boundaries of the school division. The total amount of special levy required by each school division is the difference between the total budget of the school division and the funds obtained by the school division under the provisions of the Education Support Program.

Each municipality's contribution to the special levy is based on the ratio of the total balanced assessment of that municipality to the total balanced assessment of the division. The

municipality raises its portion of the special levy by applying a special levy mill rate to those properties in the municipality, lying within the school division. The municipalities each establish their mill rates as follows:

$$\frac{\text{Municipal portion of Special Levy}}{\text{Actual Municipal Assessment}} = \text{Mill Rate}$$

Because each municipality raises only a portion of the total special levy required by the school division, changes in the municipal assessment result in not only changes in individual property owner's taxes, but also changes in municipalities' special levy contributions. If a municipality's assessment relative to other municipalities' assessments within the school division increases, the municipality will be required to contribute a larger portion of the total special school division levy. Similarly, individual property owners' whose assessments have increased relative to other property owners' assessments, within the same municipality, will be required to pay more taxes in most instances.

C. Education Support Program Levy. The Education Support Program Levy is a Province-wide imposition against all real property to help finance the Education Support Program. The total amount of Education Support Levy required by the Province is the difference between the education support program budget and the provincial support provided from the consolidated revenue of the province.

Different mill rates, established by the Province, are applied to the total balanced assessments to determine the contribution from "farm and residential" property and from "other (commercial/industrial) property. The mill rate applied

to "other" property is larger than the mill rate applied to "farm and residential" property because legislation specifies that a 38 mill differential be maintained.

Each municipality's contribution to the Education Support Levy is based on the ratio of the total balanced assessment of each municipality to the total balanced assessment of the Province for the "farm and residential" and "other" property classes. The municipality raises its portion of the education support levy by applying one mill rate to "farm and residential" property and another mill rate to "other" (commercial/industrial) property assessments in the municipality.

Because each municipality raises only a portion of the total education support program levy required by the Province, changes in a municipality's assessment results in not only changes in the individual property owners' taxes, but also changes in the municipality's education support program levy contributions. If a municipality's assessment relative to other municipalities' assessment rises, the municipality will be required to raise a larger portion of the education support program levy.

In both the R.M. of Hanover and the R.M. of Brenda, the ratio of the municipality's "farm and residential" assessment increased after incorporation of the M.A.R.C. recommendations and application of valuation factors. The R.M. of Hanover's and the R.M. of Brenda's farm and residential property would then be required to contribute a larger portion of the total education support program levy. On the other hand,

because the ratio of "farm and residential" assessment in the municipality to "farm and residential" assessment in the Province has decreased in the Town of Steinbach, the Town of Melita and the St. James-Assiniboia School Division, the contributions from these classes to the education support levy program would also decline.

Changes in the assessment of "other" property within the sample municipalities would result in changes in their education support program levy contributions. The R.M. of Hanover, Town of Steinbach and St. James-Assiniboia School Division, would all be required to contribute more to the education support program levy from the "other" classification while the R. M. of Brenda and Town of Melita are required to raise less.

The share of taxes paid by "other" property to the Education Support Program is shifting not only between municipalities within the province but also between individual property holders within the municipality. The shift between property owners is attributable to the M.A.R.C. provision for the sharing of that portion of the Education Support Program Levy on "other" properties in such a manner as to provide that the first $50,000 of valuation would be subject to the same mill rate as residential property. The remainder of the valuation, exceeding $50,000 would be subject to a higher commercial mill rate in order to raise the required revenues from "other" property.

The effect of this provision in towns and rural municipalities where the "other" assessment base is comprised or primarily small commercial properties is to substantially

increase the mill rate on the few commercial properties exceeding $50,000 valuation. This means that these few larger commercial properties are required to raise most of the municipality's share of the "other" Education Support Program Levy. In larger towns and cities, the impact of this provision is lessened due to the greater number of commercial properties exceeding $50,000 valuation.

Since each individual property owner's tax bill is a composite of three taxes - municipal levies, special school division levies and education support program levies - the net tax impact after valuation and apportionments is difficult to predict from generalizations. Instead, an examination of the actual impact on sample property holdings is necessary to fully understand the possible effects of assessment changes on individual property owners.

D. Taxation of Sample Properties. The actual impact of the Committee's recommendations on real property taxation was determined by calculating new municipal and school mill rates for the R.M. of Hanover, Steinbach, R.M. of Brenda, Melita and St. James-Assiniboia based on the assessments after valuation and apportionment. These new mill rates were then applied to a sampling of individual properties in both rural and urban locations. The results obtained are as follows:

R. M. OF HANOVER

PROPERTY	Taxable Assessment	School Taxes	Municipal Taxes	Total Taxes
Vacant Farmland		$	$	$
- 1982 Actual	8,500	552.50	211.94	764.44
Full Value	85,000	769.17	263.62	1,032.79
Portioned	6,800	489.34	190.35	679.69
Mixed Farm				
- 1982 Actual	9,250	601.25	367.56	968.81
Full Value	157,170	1,422.23	474.42	1,896.65
Portioned	17,270	1,243.50	459.90	1,703.40
Hog Farm				
- 1982 Actual	1,200	78.00	345.21	423.21
Full Value	217,380	1,967.07	750.96	2,718.03
Portioned	21,880	1,574.53	670.10	2,244.63
Dairy Farm				
- 1982 Actual	4,450	289.25	1,418.40	1,707.65
Full Value	900,330	8,147.09	2,799.11	10,946.20
Portioned	73,970	5,323.03	2,041.37	7,364.40
Residence Single Family				
- 1982 Actual	9,090	590.85	285.43	876.28
Full Value	51,850	469.19	253.81	723.00
Portioned	7,780	559.86	284.75	844.61
Commercial				
- 1982 Actual	10,150	1,054.15	330.01	1,384.16
Full Value	59,800	636.34	292.86	929.20
Portioned	9,070	735.95	332.33	1,068.28
Commercial				
- 1982 Actual	28,230	2,831.47	1,165.51	3,996.98
Full Value	159,340	2,501.42	1,084.08	3,585.50
Portioned	24,990	2,719.83	1,181.68	3,901.51
Commercial Poultry Processing Plant				
- 1982 Actual	189,190	18,975.76	7,000.03	25,975.79
Full Value	1,055,690	19,296.33	6,379.71	25,676.04
Portioned	168,410	20,579.68	7,142.69	27,722.37

In the R. M. of Hanover, all the farm properties realize an increase in both school and municipal taxes and, therefore, total taxes at the valuation level. This increase in taxes is attributable to the substantial increase in farm assessments resulting from the inclusion of previously exempt farm out-buildings and the valutation of farm property at a higher rate than residential and "other" property. Within the farm category, the more building-intensive the farm, the greater the increase in taxes. Dairy farms realized a larger increase in taxes at the valuation level than did mixed farms.

At the portioned level, farm property taxes declined but remained greater than current taxes. The tax decrease occurred because portioning reduced farm property assessments at a greater rate than residential and other property assessments.

A substantial increase in one property classes taxes means a decrease in another property classes taxes. The large increase in farm property assessment and taxation at the valuation level is reflected in a decrease in residential property taxation. At the portioned level, however, residential property tax levels rise and move closer to current tax levels.

The taxation shift onto farm property in the R. M. of Hanover also affects "other" property taxation. At the valuation level, both small and large commercial properties realize a decrease in total taxes as a result of this shift. Although total taxes are declining on large commercial properties at valuation, school taxes are rising because commercial properties exceeding $50,000 valuation are taxed at a higher rate in accordance with the M.A.R.C. provisions.

Portioning reduces the impact on the taxation of "other" property at the valuation level. After portioning "other" property taxes rise towards their current level.

STEINBACH

PROPERTY	Taxable Assessment	School Taxes	Municipal Taxes	Total Taxes
Residence Single Family		$	$	$
- 1982 Actual	8,350	548.59	499.33	1,047.92
Full Value	48,810	447.29	509.58	956.87
Portioned	7,310	527.46	504.45	1,031.91
Commercial				
- 1982 Actual	10,120	964.43	605.18	1,569.61
Full Value	61.230	731.54	639.24	1,370.78
Portioned	9,700	810.34	669.38	1,479.72
Commercial				
- 1982 Actual	17,070	1,626.77	1,020.79	2,647.56
Full Value	106,460	1,580.22	1,111.44	2,691.66
Portioned	16,540	1,326.57	1,141.39	2,467.96
Commercial Shopping Centre				
- 1982 Actual	1,207,600	115,084.28	72,214.48	187,298.76
Full Value	6,974,170	138,082.83	72,810.33	210.893.16
Portioned	1,115,370	131,050.13	76,969.45	208,019.58

In the Town of Steinbach, residential property taxes at valuation are decreasing because the Town is required to contribute a small share of the provincial "farm and residential" education support program levy. After portioning, however, the residential property taxes increase and move closer to current tax levels. This occurs because portioning restores assessments close to their 1982 actual levels and re-establishes relationships between assessment classes.

Unlike residential property tax changes, "other" property tax changes are not uniform within the class. Small commercial properties realize a decrease in total taxes at valuation level while large commercial properties realize an increase in total taxes at valuation level. The decline in taxes on small commercial properties is attributable to the M.A.R.C. provision that the first $50,000 of valuation be subject to the lower residential levy for the Education Support Program. Under this provision, small commercial properties would pay less school taxes. Larger commercial properties would, therefore, pay more school taxes in order to raise from the "other" class the required revenue. This increase in school taxes results in an increase in the total taxes of large commercial properties at valuation.

At the portioning level, small commercial properties' and large commercial properties' taxes also change in opposite directions. Small commercial property taxes increase after portioning and large commercial property taxes decrease after portioning. In both instances, the "other" property taxes paid after portioning closely approximate the actual "other" property taxes currently paid.

R. M. OF BRENDA

PROPERTY	Taxable Assessment	School Taxes	Municipal Taxes	Total Taxes
Vacant Farmland		$	$	$
- 1982 Actual	4,650	311.55	279.00	590.55
Full Value	48,450	438.08	289.44	727.52
Portioned	3,880	305.41	268.84	574.25
Farm - Vacant Land				
- 1982 Actual	4,550	304.85	273.00	577.85
Full Value	47,410	428.68	283.46	712.14
Portioned	3,790	298.33	263.04	561.37
Farm - Grain				
- 1982 Actual	4,250	284.75	255.00	539.75
Full Value	64,000	578.69	382.68	961.35
Portioned	6,470	509.29	449.03	958.32
Farm - Grain				
- 1982 Actual	5,400	361.80	324.00	685.80
Full Value	88,160	797.14	526.67	1,323.81
Portioned	8,800	692.69	609.74	1,302.43
Residence				
- 1982 Actual	7,180	481.06	556.32	1,037.38
Full Value	23,230	210.05	273.14	483.19
Portioned	3,480	273.93	372.43	646.36

In the R. M. of Brenda all farm properties realize an increase in both school and municipal taxes and, therefore, total taxes, at the valuation level. This increase in taxes is due to the substantial increase in farm assessments resulting from the incusion of previously exempt farm outbuildings and the valuation of farm property at a higher rate than residential and "other" property.

At the portioned level, total farm property taxes declined in all instances, to approximate 1982 actual taxes. One component of total taxes - municipal taxes, however, did

not decline for all farm properties. After portioning, the more building intensive farms continued to realize an increase in municipal taxes because their assessments declined proportionately less than the assessments of land intensive farm property.

As was the case in the R. M. of Hanover, the large increase in farm property assessment and taxation at the valuation level is reflected in a decrease in residential property assessment and taxation. After portioning, residential property taxes rise to approximate 1982 actual tax levies.

MELITA

PROPERTY	Taxable Assessment	School Taxes	Municipal Taxes	Total Taxes
		$	$	$
Residence				
- 1982 Actual	2,140	140.47	167.34	307.81
Full Value	9,420	76.12	179.35	255.47
Portioned	1,420	111.78	177.08	288.86
Residence				
- 1982 Actual	10,810	709.57	845.34	1,554.91
Full Value	49,270	398.59	937.60	1,336.19
Portioned	7,390	581.70	921.58	1,503.28
Residence				
- 1982 Actual	14,800	971.47	1,234.11	2,205.58
Full Value	67,560	546.56	1,362.42	1,908.98
Portioned	10,140	798.17	1,341.29	2,139.46
Commercial				
- 1982 Actual	5,400	531.36	437.28	968.64
Full Value	19,770	235.06	391.22	626.28
Portioned	3,160	303.20	409.07	712.27
Commercial				
- 1982 Actual	23,710	2,333.06	1,901.37	4,234.33
Full Value	86,780	1,282.51	1,698.67	2,981.18
Portioned	13,880	1,513.87	1,778.18	3,292.05

In the Town of Melita, residential property holders realize a net decrease in total taxes at the valuation level, because the decline in the school tax levy is greater than the increase in the municipal tax levy. The residential school tax levy is declining at valuation because Melita is required to raise a smaller portion of the Education Support Program Levy. Municipal taxes, on residential holdings, at valuation however, are increasing because residential assessments have increased disproportionately to other assessments in the Village. The valuation factor applied to residential property was greater than the factors applied to "other" property.

Once again, property taxes after portioning approximate 1982 actual taxes. Portioning has resulted in an increase in total residential property taxes in the Town of Melita.

Like residential property taxes, "other" property taxes are also declining at the valuation level. This decline is in both school and municipal taxes on "other" property.

"Other" school taxes are decreasing at valuatin as a result of the M.A.R.C. provision for taxing the first $50,000 of valuation at the lower residential rate for the Education Support Program. Small commercial properties, therefore, realize a decrease in school taxes.

Municipal taxes on "other" property are also declining due to the tax shifts onto residential property. Residential assessment increased disproportionately to commercial assessment after valuation, so residential taxes increased and commercial taxes decreased.

Portioning raises total "other" property taxes to approximate 1982 tax levels.

ST. JAMES - ASSINIBOIA

PROPERTY	Taxable Assessment	School Taxes	Municipal Taxes	Total Taxes
Residence		$	$	$
1100 sq. ft.				
- 1982 Actual	7,210	537.94	732.88	1,270.82
Full Value	53,910	590.15	842.56	1,432.71
Portioned	8,085	618.32	830.16	1,448.48
Residence				
2469 sq. ft.				
- 1982 Actual	25,060	1,869.72	2,547.30	4,417.02
Full Value	187,375	2,051.20	2,928.48	4,979.68
Portioned	28,105	2,149.41	2,885.80	5,035.21
Apartment				
2½ walk-up				
- 1872 Actual	52,040	3,882.71	5,289.76	9,172.47
Full Value	191,405	2,095.31	2,991.46	5,086.77
Portioned	28,710	2,195.68	2,947.92	5,143.60
Apartment				
Highrise				
- 1982 Actual	254,620	18,997.20	25,881.61	44,878.81
Full Value	936,490	10,251.76	14,636.40	24,888.16
Portioned	140,475	10,743.25	14,423.83	25,167.08
Commercial				
2292 sq. ft.				
- 1982 Actual	8,360	925.45	849.78	1,775.23
Full Value	47,910	985.32	748.78	1,734.10
Portioned	7,665	898.13	787.04	1,685.17
Commercial				
3630 sq. ft.				
- 1982 Actual	19,570	2,166.40	1,989.25	4,155.65
Full Value	112,155	2,306.58	1,752.87	4,059.45
Portioned	17,945	2,102.67	1,842.57	3,945.24
Commercial				
68,260 sq. ft.				
- 1982 Actual	165,530	18,324.17	16,825.79	35,149.96
Full Value	948,650	19,509.94	14,826.45	34,336.39
Portioned	151,785	17,785.11	15,585.13	33,370.24
Commercial				
Shopping Centre				
- 1982 Actual	660,420	73,108.49	67,130.37	140,238.86
Full Value	3,784,865	77,839.53	59,153.66	136,993.19
Portioned	605,580	70,957.62	62,180.35	133,137.97

In St. James - Assiniboia, unlike the rural municipalities and towns, where farm assessment was a factor, very little new assessment was added to the total taxable assessment. The actual assessment, which is comprised primarily of residential and commercial properties, was simply brought up to a value by applying the appropriate valuation factors. The changes and shifts in property taxation occur solely as a result of valuation and the special provision for differential taxes on commercial property.

The taxation of residential property at valuation is not uniform throughout the residential class. Total property taxes on single-family residential properties increase while total property taxes on multi-family apartment buildings decrease. This effect occurs because different valuation factors were required to bring the different residential properties up to the valuation level.

Both school and municipal taxes are rising on single family properties because the valuation factor applied to these properties was disproportionately larger than the valuation factor applied to multi-family residential property and "other" property.

This large increase in single-family residential property tax levies at valuation level is reflect in a decrease in multi-family residential property tax levies. The valuation factor applied to apartment blocks was substantially lower than the other residential property valuation factors used.

At the portioning level, however, total taxes increase for both single-family and multi-family residential properties. The increase in total taxes on apartments moves property taxes closer towards 1982 actual taxes. The increase in total taxes

on single-family residential properties, however, moves property taxes further away from 1982 actual taxes. This movement away from actual tax levels, after portioning, occurs because the share of the Education Support Program Levy borne by single-family residences increases further. The continued increase is due to the absence of farm property in St. James-Assiniboia, the application of a disproportionately large valuation factor to single-family dwellings and portioning at a uniform provincial rate of 15 percent for the residential class. The assessment and, therefore, taxes of single-family residential properties are disproportionately larger than multi-family residential properties and "other" properties after portioning.

The taxation shift onto residential property in St. James-Assiniboia is reflected in a net decrease in total "other" property taxes at the valuation level.

School taxes are rising because at valuation, "other" property in St. James-Assiniboia is required to contribute a larger portion of the provincial Education Support Program Levy. The increase in school taxes is greatest on larger commercial properties. This increase in school taxes, however, is countered by a decrease in "other" municipal property taxes. This decrease occurs because the valuation factor applied to "other" property was relatively small. "Other" property contributes a smaller portion of total municipal taxes, after valuation.

After portioning, total "other" property taxes continue to decrease rather than increase. The continued decline occurs because the portion of the Education Support Program Levy raised by "other" property in St. James-Assiniboia

decreases substantially. Portioning at 16 percent reduces "other" assessment in St. James-Assiniboia disproportionately more than "other" assessment in other municipalities within the Province. Therefore, St. James-Assiniboia's share of total school taxes declines.

SUMMARY

The assessment changes and shifts resulting from the incorporation of the M.A.R.C. recommendations and the application of valuation factors have in many instances created taxation shifts which may indicate provincial trends.

The rural municipalities, towns and villages included in the modelling exercise, realized an increase in farm property taxes and a decrease in residential and small commercial property taxes. The urban municipality sampled, on the other hand, experienced an increase in residential property taxes and a decrease in other property taxes.

Because the taxation changes and shifts were generally consistent throughout the municipalities studied, a trend towards similar changes in municipalities not sampled in this study may exist.

AN ANALYSIS OF THE RESULTS OF THE INTERMOUNTAIN MODEL

AN ANALYSIS OF THE RESULTS OF THE INTERMOUNTAIN MODEL

The impact of implementing the M.A.R.C. recommendations in the Intermountain School Division was tested using the same model was was applied in the Hanover and Antler River School Divisions.

1. Incorporation of the Committee's Recommendations

After incorporating the Committee's recommendations regarding farm residences, farm outbuildings, commercial properties and farm residential land into the 1982 existing assessment, the impact appears to be greatest on the farm classification, as was also the case in the Hanover and Antler River School Divisions. The impact on the residential and other (commercial/industrial) property classifications was, again minimal. The assessment changes to farm, residential and other (commercial/industrial) property are summarized as follows:

A. Farm property assessment, including both land and outbuildings increased in both real terms and as a percentage of total assessment in the Intermountain School Division. This was due to the taxation of previously exempt outbuildings and the reclassification of land from residential to farm. Although these changes are in the same direction as in Hanover School Division, they are more moderate because farms in the Intermountain School Division are generally less building-intensive than those in Hanover School Division.

The farms, however, are more building-intensive than those located in the Antler River School Division resulting in changes to the farm assessment more closely resembling Hanover than Antler River School Division.

FARM ASSESSMENT

	1982 Actual Assessment	% of Total Assess.	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.
Total Farm	11,771,280	44	15,621,700	51
Farm Building	6,720	0	201,000	1
Farm Land	11,764,560	44	15,420,700	50

B. Residential property assessments, including both land and buildings increased in real terms as was the case in the Hanover and Antler River School Divisions. The increase is attributable to the recommendation making all farm residences, previously exempt, taxable. The increase in residential building assessment, in the Intermountain School Division, was large enough to offset the real decrease in residential land assessment resulting from the reclassification of some previously residential land to farmland.

As a percentage of total assessment however, total residential assessment declined due to the relatively large increase in total farm assessments. This decrease also occurred in the Hanover School Division for similar reasons.

RESIDENTIAL ASSESSMENT

	1982 Actual Assessment	% of Total Assess.	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.
Total Res.	11,199,820	42	11,248,740	37
Res. Building	6,159,110	23	9,864,600	32
Res. Land	5,040,710	19	1,384,140	5

C. Other (commercial/industrial) property assessment, including both land and buildings remained relatively constant, as was the case in both Hanover and Antler River School Divisions. The M.A.R.C. recommendations did, however, create two categories of other building property, one subject to the higher commercial levy and one subject to the lower residential levy.

OTHER ASSESSMENT

	1982 Actual Assessment	% of Total Assess.	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.
Total Other	3,418,650	13	3,441,210	11
Other Bldg. (commercial levy)	2,336,100	-	830,530	-
Other Bldg. (residential levy)	-	-	1,527,640	-

2. Application of Valuation Factors

As was the case in both the Hanover and Antler River School Divisions, the valuation of assessments had the greatest impact on the redistribution of assessment between property classifications in the Intermountain School Division. Like the other rural school divisions, assessment shifts from the residential and other property classifications to the farm property classification occurred due to the "outdatedness" of farmland relative to residential and other property.

The average valuation factors used to raise existing assessments up to 1979-1980 levels are similar to those applied to assessments in the Hanover and Antler River School Divisions. They are generally less than Hanover's factors but more than Antler River's factors.

AVERAGE VALUATION FACTORS

	Intermountain
Farm Land	10.00
Residential Land	5.25
Other Land	5.25
Farm Outbuildings	4.53
Residences	5.23
Other Buildings	4.20

The assessment shifts resulting from the application of the valuation factors are outlined below:

ASSESSMENT AFTER VALUATION

	1982 Actual Assessment	% of Total Assess.	Actual Assess. with M.A.R.C. Recommendations Incorporated	% of Total Assess.	Assess. at Valuation	% of Total Assess.
Total Farm	11,771,280	44	15,621,700	51	155,026,870	65
Total Residential	11,199,820	42	11,248,740	37	62,103,090	26
Total Other	3,418,650	13	3,441,210	11	18,922,430	8

3. Apportionment of the Property Valuation

Because of the taxation shifts resulting from the assessment shifts at valuation, the Manitoba Assessment Review Committee proposed "portioning" on an 8-15-16 percent basis as a means of reducing the impact of these shifts. In the Intermountain School Division, as was the case in the other school divisions sampled, the assessment after portioning is smaller than the actual current assessment as shown below:

INTERMOUNTAIN SCHOOL DIVISION

	1982 Actual Assessment	% of Total Assess.	Assessment At Valuation	% of Total Assess.	M.A.R.C. 8-15-16 Apportionment	% of Total Assess.
Farm	11,771,280	44	155,026,870	65	12,402,190	50
Residential	11,199,820	42	62,103,090	26	9,323,910	37
Other *	3,869,100	14	21,018,060	9	3,363,130	13
Total	26,840,200	100	238,148,020	100	25,089,230	100

* Includes commercial, statutory and other residual property.

As before, the portions utilized by the M.A.R.C. do not compensate for the transfer of farm residences from the farm classification to the residential classification or for the effect of the exemption for farm outbuildings.

4. Taxation of Sample Properties

New municipal and school mill rates were calculated for the R.M. of Grandview and the Town of Grandview based on the assessments after valuation and apportionment. These new mill rates were then applied to a sampling of individual properties in the R.M. and Town.

The tax results obtained appear to follow the trends existing in the other rural municipalities and towns sampled. The R.M. of Grandview and the Town of Grandview realized an increase in farm property taxes and a decrease in residential and commercial property taxes from 1982 actual levels after both valuation and portioning. The tax changes for the sample properties are as follows:

R.M. OF GRANDVIEW

PROPERTY	Taxable Assessment	School Taxes	Municipal Taxes	Total Taxes
Vacant Farmland				
- 1982 Actual	1,050	$ 78.75	$ 100.90	$ 179.65
Full Value	10,500	97.56	91.94	189.50
Portioned	840	63.65	82.32	145.97
Hog Farm				
- 1982 Actual	620	$ 46.50	$ 54.86	$ 101.36
Full Value	96,510	896.67	771.50	1,668.17
Portioned	8,560	648.61	757.39	1,406.00
Grain Farm				
- 1982 Actual	5,150	$386.25	$ 462.82	$ 849.07
Full Value	70,750	657.34	572.73	1,230.07
Portioned	7,080	536.47	633.59	1,170.06
Grain Farm				
- 1982 Actual	6,200	$465.00	$ 556.58	$1,021.58
Full Value	87,750	815.29	709.47	1,524.76
Portioned	8,900	674.37	795.47	1,469.84

In the R.M. of Grandview, all farm properties realize an increase in taxes at the valuation level. This increase in taxes is due to the substantial increase in farm assessments resulting from the inclusion of previously exempt farm outbuildings and the valuation of farm property at a higher rate than residential and "other" (commercial/industrial) property.

At the portioned level, total farm property taxes declined from valuation levels in all sample cases.

TOWN OF GRANDVIEW

PROPERTY	Taxable Assessment	School Taxes	Municipal Taxes	Total Taxes
Residence				
- 1982 Actual	2,080	$ 153.19	$ 197.55	$ 350.74
Full Value	11,470	110.34	217.27	327.61
Portioned	1,720	130.33	214.13	344.46
Residence				
- 1982 Actual	3,140	$ 231.26	$ 298.24	$ 529.50
Full Value	17,460	167.97	330.72	498.69
Portioned	2,620	198.53	326.17	524.70
Residence				
- 1982 Actual	6,170	$ 454.42	$ 619.03	$1,073.45
Full Value	34,520	332.08	686.88	1,018.96
Portioned	5,180	392.51	677.88	1,070.39
Commercial Grain Elevator				
- 1982 Actual	61,030	$6,688.89	$5,796.63	$12,485.52
Full Value	247,500	5,166.69	4,688.15	9,854.84
Portioned	39,600	5,424.75	4,929.92	10,354.67
Commercial Hotel				
- 1982 Actual	27,090	$2,969.06	$2,573.00	$5,542.06
Full Value	110,250	1,910.43	2,088.36	3,998.79
Portioned	17,640	2,075.85	2,196.06	4,271.91
Commercial office Building				
- 1982 Actual	29,300	$3,211.28	$2,782.92	$5,994.20
Full Value	120,350	2,150.05	2,279.67	4,429.72
Portioned	19,260	2,323.18	2,397.73	4,720.91
Commercial Store				
- 1982 Actual	5,010	$ 549.10	$ 475.85	$1,024.95
Full Value	20,690	199.04	391.90	590.04
Portioned	3,310	290.70	412.08	702.78

In the Town of Grandview, residential property taxes at valuation are decreasing because the Town is required to contribute a smaller share of the provincial "farm and residential" education support program levy. After portioning, however, the residential property taxes increase from valuation levels and move closer to current tax levels. This occurs because portioning restores assessments close to their 1982 actual levels and re-establishes relationships between assessment classes.

Like residential property taxes, "other" property taxes are also declining at the valuation level. This decline is in both school and municipal taxes on "other" property.

"Other" school taxes are decreasing at valuation because the Town is required to contribute a smaller share of the provincial "other" education support program levy. Also contributing to the decline is the M.A.R.C. provision for taxing the first $50,000 of valuation at the lower residential rate.

Municipal taxes on "other" property are also declining due to the tax shift onto residential property. Residential assessment increased disproportionately to commercial assessment after valuation, so residential municipal taxes increased and other municipal taxes decreased.

Portioning raises total "other" property taxes to approximate 1982 tax levels.

SUMMARY

As was the case in the Hanover and Antler River School Divisions, the M.A.R.C. recommendations impacted greatest upon farm property assessments and taxes in the Intermountain School Division. Farm property taxes increased and residential and "other" property taxes decreased consistently throughout the sample, as before.

A trend towards similar changes in municipalities not sampled is therefore supported by the results of the Intermountain model.